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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY	Argentina	REPORT NO.	
SUBJECT	Deficiencies in Argentine Coal Mining Program	DATE DISTR.	27 October 1953
		NO. OF PAGES	1
DATE OF INFO.	25X1A	REQUIREMENT NO.	RD
PLACE ACQUIRED		REFERENCES	

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1. The present organization and management of the government-owned coal mines at Rio Turbio, in the National Territory of Santa Cruz in southern Argentina, is disastrous. The majority of the higher-ranking employees have little sense of responsibility and are often deficient in the technical knowledge needed to handle their jobs properly. The actual production of these mines is, at best, about 600 metric tons of coal a day, which the Argentine Government wants to increase to 7,000 metric tons a day. However, this figure is merely a hope which will never be reached. At present it costs more to transport the coal from the mines in Rio Turbio to the coast than it does to extract it.<sup>1</sup> Moreover, the narrow-gauge single-track railway line used to transport the coal to the coast is not sufficient to handle 7,000 metric tons of coal a day, even if such a production figure could be reached.
2. At present about 2,500 persons are employed in the mines at Rio Turbio, and their combined payroll is more than 4,000,000 Argentine pesos a month. The majority of the technicians and white-collar workers are Argentine citizens, but most of the miners and manual laborers are Chileans. The Argentine personnel are all well paid. Argentine citizens employed in an executive capacity receive a living allowance equal to their salary. Argentine personnel employed in non-executive capacities receive a living allowance equal to 50% of their salaries. However, the Chileans receive only their salaries. No labor unions exist at Rio Turbio to defend the rights of the miners. Recently, ten organizers who had been sent to Rio Turbio to try to set up a labor union were expelled from the area. Thus the miners at Rio Turbio are under the complete control of the management and have no way to seek redress from the arbitrary decisions of their employers.
3. The mining machinery and the mines themselves are in such a bad state of conservation that it is believed if improvements are not made soon the government will be forced eventually to abandon them.

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1. ☐ Comment. Because of the limited production and the high cost of extraction and transport, the mines at Rio Turbio serve more as a propaganda weapon for the PERON government than as a source of coal.

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